

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7357

BILL NUMBER: HB 1183

NOTE PREPARED: Jan 30, 2007

BILL AMENDED:

SUBJECT: Transfers from the 1977 Fund to PERF.

FIRST AUTHOR: Rep. Reske

FIRST SPONSOR: Sen. M. Young

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes the transfer of service credit and contributions from the 1977 Police Officers' and Firefighters' Pension and Disability Fund to the Public Employees' Retirement Fund (PERF) for appointed police and fire chiefs. It waives all credit for service in the 1977 Fund if the transfer to PERF is made.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: PERF has identified four police chiefs and no fire chiefs who would currently be affected by this proposal. That is, they would not be able to earn a benefit under the 1977 Fund because of mandatory retirement provisions in effect. In addition, however, the bill permits a police chief or a fire chief appointed under a waiver at any age who terminates employment before earning a benefit from the 1977 Fund to transfer the 1977 Fund service to PERF. The fiscal impact would be minimal.

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund as administrators of the 1977 Fund.

Local Agencies Affected: Those with members in the 1977 Fund.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF and the Police and Fire Fund, 317-576-1508.

Fiscal Analyst: James Sperlik, 317-232-9866.